

**Congress of the United States**  
**Washington, DC 20515**

May 22, 2019

Hon. Kathleen Kraninger  
Director  
Bureau of Consumer Financial Protection  
1700 G Street NW  
Washington, DC 20552

Dear Director Kraninger:

We are writing to reiterate our ongoing concerns about the Bureau's Payday, Vehicle Title, and Certain High-Cost Installment Loans Rule (the "Small Dollar Rule" or "Rule"). While we applaud the Consumer Financial Protection Bureau ("CFPB" or "Bureau") for recently repealing the Rule's ability-to-repay provisions, we strongly encourage you to similarly reconsider the Rule's payment provisions.

First and foremost, the payment provisions would place restrictions on debit card payments after two failed attempts, closing off access to credit for consumers who need it most and presenting a host of other legal and policy issues. Given that reducing the excessive fees charged to consumers was the CFPB's sole articulated reason for imposing the Rule's payment provisions, there is no justification for including debit card payments within the scope of these provisions, since those transactions do not incur fees should the account have insufficient funds. If allowed to go into effect, the original Rule will impose severe hardships on families without providing any benefit.

Second, the Rule also fails to take into account the NACHA return thresholds implemented in September, 2015. These thresholds established an inquiry process for administrative and overall debit return rates and gave lenders every incentive not to initiate repeated debits that harm borrowers. This system already addresses the harms the Bureau is intending to remedy, making the payment provisions duplicative and unnecessary. Lenders need clear rules of the road and a singular federal standard, not overlapping mandates and directives.

Finally, the payment provisions will establish the only process within the Automated Clearing House (ACH) Network requiring lenders to re-obtain authorization after a number of failed attempts. Again, lenders need a clear and singular set of standards to follow. This discrepancy with the rest of the ACH network will create confusion and frustration for consumers. They will wonder why they have to reauthorize payments already approved, or why their payments have not been accepted. This will eventually open the door to greater fraud as it becomes more commonplace for legitimate lenders to send payment reauthorization requests. Borrowers will have less reason to question the legitimacy of these communications, and may mistakenly provide account information to imposters, leading to their bank accounts being drained. In this way, the Rule would ironically add to the problems it was meant to eradicate.

Authorization of recurring payments is a convenience that millions of Americans utilize in order to pay mortgages, credit card balances, insurance premiums, utility bills and cable bills, as well

as small dollar loans. Consumers want and expect the option to authorize automatic recurring payments, and rely on them to ensure that their bills are paid on time. Most importantly, consumers expect that when authorized, these transactions will be honored by lenders.

We share your goal of protecting consumers from unscrupulous actors, but believe the payment provisions are too broad, creating a one-size-fits-all solution that will impose hardships on consumers without any corresponding benefit.

Because of the significant negative impact it will have on millions of Americans who are legitimately searching for fast and convenient credit, we urge the Bureau to revisit the Rule's payment provisions. We believe the CFPB should reconsider the payment provisions or at least reopen them for public comment to gather additional evidence and viewpoints.

Thank you again for your attention to this matter.

Sincerely,

  
Rep. Blaine Luetkemeyer  
Rep. Ted Budd  
Rep. Scott Tipton  
Rep. John Rose  
Rep. Lance Gooden  
Rep. Roger Williams  
Rep. Bill Huizenga  
Rep. David Kustoff  
Rep. Warren Davidson  
Rep. Peter King

  
Rep. Ann Wagner

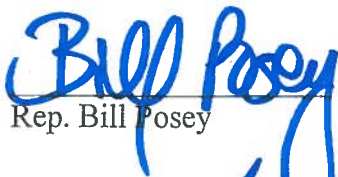
  
Rep. Frank Lucas

  
Rep. Andy Barr

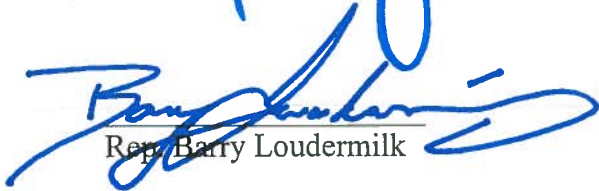
  
Rep. Sean Duffy

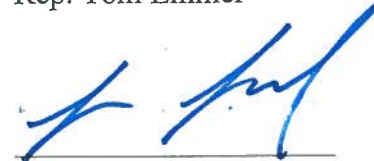
  
Rep. Trey Hollingsworth

  
Rep. Steve Stivers

  
Rep. Bill Posey

  
Rep. Tom Emmer

  
Rep. Barry Loudermilk

  
Rep. Lee Zeldin

  
Rep. Denver Riggleman III

  
Rep. Bryan Steil

  
Rep. French Hill

  
Rep. Alex X. Mooney